Approved For Release 2005/01/11: CIA-RDP88-01314R000300pgp000-EC- Holder Spread undercover operations.

BONN — West Germa-spread undercover operations. O New Bonn Spy Chargo, from thin air. But it has evoked some curious reac-

Denies Claim That West German Official Was Identified in CIA Report as Red Agent

> BY JOE ALEX MORRIS JR. Times Staff Writer

ny's latest spy "seandal". appears to be fabricated evoked some curious reaction, not the least of which comes from Washington,

Some political quarters here attribute this to the nervousness that followed Willy Brandt's abrupt departure from the chancellor's office less than three weeks ago. It was because of a Communist spy seandal—this was real—that Brandt quit, and his successors are understandably sensitive about the. word espionage.

In the latest development, the business magazine <u>Capital</u> alleged that u U.S. Central Intelligence Agency report had identi-fied Guenther Nollau, head of the Office for the Protection of the Constitution, as a Communist agent. This office is the West German equivalent of the FBI, and Nollau is also a member of NATO's special committee on intelligence, for which he has "cosmic" — the highest security clearance.

Within hours of the broadcasting of the report. the denials began pouring in. Curiously, the first and the strongest ones came from Washington,

The U.S. government flatly denied the existence of "such a report-on Herr Nollau, as reported in the magazine Capital." Washington went even further and denied that either Nollau or anyone in his agency was viewed with suspicion by the CIA-a pretty broad statement in view of the CIA's wide-

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Equally curiously, there was no official statement from the West German government Wednesday, although Chancellor Helmut Schmidt conferred with top officials on the allegations: The foreign Ministry here took the American denials as its cue to inform the Interior Ministry, responsible for Nollau's organization, that the Americans had reported there was "not a word of truth," in the Capital story.

The American statements on the report did not go anywhere near that far. They simply denied CIA or any other American involvement in any investigation of Nollau or persons on his staff.

The U.S. readiness to get involved in what amounted to little more than alle-. gations by a magazine was seen here as highly unusual. Reportedly, it fol-. lowed urgent contacts between Bonn and Washington.

. Why the Bonn government waited almost a full 24 hours before putting. out its own denial Thursday afternoon was another mystery. Then it called a press conference where, among other things, a. spokesman tried to put across the impression that the political opposition here was behind it all.

He revealed that the government had first learned of the Capital story from a Bavarian politician. But Chancellor Schmidt then declined to meet with editors of the magazine, who offered to show him their material.

The 63-year-old Nollau, a lawyer from Dresden who fled East Germany in 1950 and went to work almost immediately thereafter for the office he now heads, issued a statement denouncing the report as all lies and said he planned court action. He also continued his vacation in Bad Tolz and apparently planned to go back to